

109TH CONGRESS
2D SESSION

S. 3662

To amend the Credit Repair Organizations Act to establish a new disclosure statement, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 14, 2006

Mr. BENNETT (for himself and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Credit Repair Organizations Act to establish a new disclosure statement, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Credit Monitoring En-
5 hancement Act of 2006”.

6 **SEC. 2. CLARIFICATION RELATING TO CREDIT MONI-** 7 **TORING.**

8 (a) IN GENERAL.—Section 403 of the Credit Repair
9 Organizations Act (15 U.S.C. 1679a) is amended—

1 (1) by striking “For purposes of this title” and
 2 inserting “(a) IN GENERAL.—For purposes of this
 3 title”; and

4 (2) by adding at the end the following new sub-
 5 section:

6 “(b) CLARIFICATION WITH RESPECT TO CERTAIN
 7 CREDIT MONITORING SERVICES UNDER CERTAIN CIR-
 8 CUMSTANCES.—

9 “(1) IN GENERAL.—Subject to paragraph (2)
 10 the following shall not be treated as activities de-
 11 scribed in clause (i) of subsection (a)(3)(A):

12 “(A) The provision of, or provision of ac-
 13 cess to, credit reports, credit monitoring notifi-
 14 cations, credit scores and scoring algorithms,
 15 and other credit score-related tools to a con-
 16 sumer (including generation of projections and
 17 forecasts potential credit scores of such con-
 18 sumer under various prospective trends or hy-
 19 pothetical or alternative scenarios).

20 “(B) Any analysis, evaluation, and expla-
 21 nation of such actual or hypothetical credit
 22 scores, or any similar projections, forecasts,
 23 analyses, evaluations or explanations.

24 “(C) In conjunction with offering any of
 25 the services described in subparagraph (A) or

1 (B), the provision of materials or services to as-
2 sist a consumer who is a victim of identity
3 theft.

4 “(2) CONDITIONS FOR APPLICATION OF PARA-
5 GRAPH (1).—Paragraph (1) shall apply with respect
6 to any person engaging in any activity described in
7 such paragraph only if—

8 “(A) the person does not represent, ex-
9 pressly or by implication, that such person—

10 “(i) will or can modify or remove, or
11 assist the consumer in modifying or remov-
12 ing, adverse information that is accurate
13 and not obsolete in the credit report of the
14 consumer; or

15 “(ii) will or can alter, or assist the
16 consumer in altering, the identification of
17 the consumer to prevent the display of the
18 credit record, history, or rating of the con-
19 sumer for the purpose of concealing ad-
20 verse information that is accurate and not
21 obsolete;

22 “(B) in any case in which the person rep-
23 resents, expressly or by implication, that the
24 person will or can modify or remove, or assist
25 the consumer in modifying or removing, any in-

1 formation in the credit report of the consumer,
2 except for a representation with respect to any
3 requirement imposed on the person under sec-
4 tion 611 or 623(b) of the Fair Credit Reporting
5 Act, the person discloses, clearly and conspicu-
6 ously, before the consumer pays or agrees to
7 pay any money or other valuable consideration
8 to such person, whichever occurs first, the fol-
9 lowing statement:

10 “‘NOTICE: Neither you nor anyone
11 else has the right to have accurate and
12 current information removed from your
13 credit report. If information in your report
14 is inaccurate, you have the right to dispute
15 it by contacting the credit bureau di-
16 rectly.’;

17 “(C) the person provides the consumer in
18 writing with the following statement before any
19 contract or agreement between the consumer
20 and the person is executed:

21 “‘Your Rights Concerning Your Con-
22 sumer Credit File:

23 “‘You have a right to obtain a free
24 copy of your credit report once every 12
25 months from each of the nationwide con-

sumer reporting agencies. To request your free annual credit report, you may go to www.annualcreditreport.com, or call 877-322-8228, or complete the Annual Credit Report Request Form and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. You can obtain additional copies of your credit report from a credit bureau, for which you may be charged a reasonable fee. There is no fee, however, if you have been turned down for credit, employment, insurance, or a rental dwelling because of information in your credit report within the preceding 60 days. The credit bureau must provide someone to help you interpret the information in your credit file. You are entitled to receive a free copy of your credit report if you are unemployed and intend to apply for employment in the next 60 days, if you are a recipient of public welfare assistance, or if you have reason to believe that there is inaccurate information in your credit report due to fraud.

1 “‘You have the right to cancel your
2 contract with a credit monitoring service
3 without fee or penalty at any time, and in
4 the case in which you have prepaid for a
5 credit monitoring service, you are entitled
6 to a pro rata refund for the remaining
7 term of the credit monitoring service.

8 “‘The Federal Trade Commission
9 regulates credit bureaus and credit moni-
10 toring services. For more information con-
11 tact:

12 “‘Federal Trade Commission

13 “‘Washington, D.C. 20580

14 “‘1-877-FTC-HELP

15 “‘www.ftc.gov.’; and

16 “(D) in any case in which the person offers
17 a subscription to a credit file monitoring pro-
18 gram to a consumer, the consumer may cancel
19 the subscription at any time upon written notice
20 to the person without penalty or fee for such
21 cancellation and, in any case in which the con-
22 sumer is billed for the subscription on other
23 than a monthly basis, within 60 days of receipt
24 of the notice of cancellation by the consumer,
25 the person shall make a pro rata refund to the

1 consumer of a subscription fee prepaid by the
2 consumer, calculated from the date that the
3 person receives the notice of cancellation from
4 the consumer until the end of the subscription
5 period.”.

6 (b) CLARIFICATION OF NONEXEMPT STATUS.—Sec-
7 tion 403(a) of the Credit Repair Organizations Act (15
8 U.S.C. 1679a) (as so redesignated by subsection (a)) is
9 amended, in paragraph (3)(B)(i), by inserting “and is not
10 for its own profit or for that of its members” before the
11 semicolon at the end.

12 (c) REVISION OF DISCLOSURE REQUIREMENT.—Sec-
13 tion 405(a) of the Credit Repair Organizations Act (15
14 U.S.C. 1679c) is amended by striking everything after the
15 heading of the disclosure statement contained in such sec-
16 tion and inserting the following new text of the disclosure
17 statement:

18 “‘You have a right to dispute inaccurate infor-
19 mation in your credit report by contacting the credit
20 bureau directly. However, neither you nor any ‘cred-
21 it repair’ company or credit repair organization has
22 the right to have accurate, current, and verifiable in-
23 formation removed from your credit report. The
24 credit bureau must remove accurate, negative infor-
25 mation from your report only if it is over 7 years

1 old. Bankruptcy information can be reported for 10
2 years.

3 “You have a right to obtain a free copy of
4 your credit report once every 12 months from each
5 of the nationwide consumer reporting agencies. To
6 request your free annual credit report, you may go
7 to www.annualcreditreport.com, or call 877-322-
8 8228, or complete the Annual Credit Report Request
9 Form and mail it to: Annual Credit Report Request
10 Service, P.O. Box 105281, Atlanta, GA 30348-
11 5281. You can obtain additional copies of your cred-
12 it report from a credit bureau, for which you may
13 be charged a reasonable fee. There is no fee, how-
14 ever, if you have been turned down for credit, em-
15 ployment, insurance, or a rental dwelling because of
16 information in your credit report within the pre-
17 ceding 60 days. The credit bureau must provide
18 someone to help you interpret the information in
19 your credit file. You are entitled to receive a free
20 copy of your credit report if you are unemployed and
21 intend to apply for employment in the next 60 days,
22 if you are a recipient of public welfare assistance, or
23 if you have reason to believe that there is inaccurate
24 information in your credit report due to fraud.

1 “‘You have a right to sue a credit repair orga-
2 nization that violates the Credit Repair Organization
3 Act. This law prohibits deceptive practices by credit
4 repair organizations.

5 “‘You have the right to cancel your contract
6 with any credit repair organization for any reason
7 within 3 business days from the date you signed it.

8 “‘Credit bureaus are required to follow reason-
9 able procedures to ensure that the information they
10 report is accurate. However, mistakes may occur.

11 “‘You may, on your own, notify a credit bureau
12 in writing that you dispute the accuracy of informa-
13 tion in your credit file. The credit bureau must then
14 reinvestigate and modify or remove inaccurate or in-
15 complete information. The credit bureau may not
16 charge any fee for this service. Any pertinent infor-
17 mation and copies of all documents you have con-
18 cerning an error should be given to the credit bu-
19 reau.

20 “‘If the credit bureau’s reinvestigation does not
21 resolve the dispute to your satisfaction, you may
22 send a brief statement to the credit bureau, to be
23 kept in your file, explaining why you think the
24 record is inaccurate. The credit bureau must include

1 a summary of your statement about disputed infor-
2 mation with any report it issues about you.

3 “The Federal Trade Commission regulates
4 credit bureaus and credit repair organizations. For
5 more information contact:

6 “Federal Trade Commission

7 “Washington, D.C. 20580

8 “1-877-FTC-HELP

9 “(877-382-4357)

10 “www.ftc.gov.’”.

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